

MAYOR'S REPORT

MARCH 25, 2011

The Berlin City Council is now squarely involved in the annual budget process. Municipal budget preparations are increasingly getting a lot more difficult. There are significant downshifting in costs from the feds to the states, from the states to the counties and local governments. You will read and hear in the coming weeks how NH state government has made some "tough" choices, but almost every dollar saved at the state level will be shifted to county and local governments. It is classic downshifting, and while they all will fall down over each other to take credit for being frugal, local taxpayers won't see anything except higher property tax rates and a huge reduction in services. Along with those reduction in services will come layoffs. Coos County, the poorest county in New Hampshire, will feel a disproportionate effect of those cuts. Add the shameful proposal to close the New Hampshire State Prison here in Berlin, state government all by itself will push the North Country back into a deep recession.

Locally, the City Council is also weighing new collective bargaining agreements (CBAs) with all of its unions. Let me be very clear on where Berlin will have to go to maintain current city services and staffing levels. We are nearing a breaking point where eliminating an employee here or there will force us to totally re-examine what Berlin should provide for services. Should we contract out garbage collection? Combine water and sewer into one department with fewer management and hourly employees? Will the Board of Education finally have to contract out janitorial services as well as school busing? We pay our employees well and they have great benefits. But when Berlin has a 10.2% unemployment rate, with mill employees taking a big cut in pay and a reduction in benefits just for the chance at returning to work after a 5 month layoff and a community with a median age of nearly 50 years old, every cost item has to be on the table. Health care costs to the city is out of control and we need all of our CBAs to be on the same insurance plans throughout the city. The City Council is not made up of unreasonable people. We have families and relatives that are employed in the public sector. No one wants to lay off people in the city employ and we certainly don't want to farm out work. We can no longer, however, continue "business as usual". I am very fortunate I have a job in these times and I have to do things sometimes I don't particularly like, but I suck it up. Almost every one in Berlin who works for a living is in my situation.

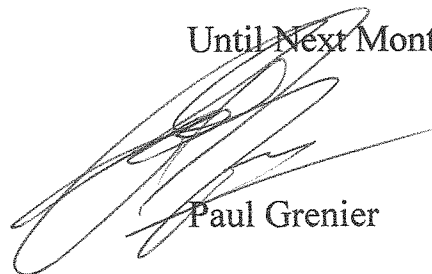
I am hoping that the Berlin Education Association (teachers union) and the

Berlin Board of Education will return to the bargaining table. Business Administrator Bryan Lamirande has been given a guideline of where insurance costs need to be going forward. We are NOT asking for a reduction in wages and the City Council will be creative in hopes that an agreement can be struck. Absent of an agreement with all of the unions, however, will mean significant layoffs in ALL city departments. The City Council has to find \$1 Million dollars to have a level tax rate and there is zero support to raise taxes even a dime.

I want to take this opportunity to welcome publically three new City Council members since my last report. Longtime Ward II City Councillor Diana Nelson who now owns a home in Ward IV, was recently elected to fill the unexpired term of former councillor Tim Cayer. Diana is active in community affairs in many roles. Diana is not shy, very dedicated, and takes her job seriously. Newcomers Russell Otis from Ward I and Roland "Lefty" Theberge from Ward IV bring vast community knowledge and will be huge assets as we move forward. I also want to thank Bev Ingersoll, Joe Lapuma and Carl Gagnon for expressing an interest in serving Berlin in these extremely difficult times. Your dedication and willingness to serve is very admirable and very unselfish.

Finally, Berlin lost two very important public servants in the past month. Longtime NH State Representative Romeo Theriault and former Berlin Health Officer Robert "Bob" Delisle have passed. Romeo in last few years was a resident at the Coos County Nursing Home here in Berlin. It is fitting that he spent his last years of his life in a resident care facility that he helped usher to Berlin. Romeo Theriault's name is on the bronze plaque that adorns the main entrance of CCNH Berlin. Bob Delisle served as Berlin's Health Officer for 30 years. His service to the community include 11 years as Berlin Water Works Commissioner from Ward IV; Ward Moderator; and Past President of both the Guardian Angel Parish and Good Shepard Parish church councils. Both gentlemen shall sorely be missed in the community and my sympathies go out to their loved ones.

Until Next Month,

A handwritten signature in black ink, appearing to read "Paul Grenier", with a large, stylized flourish extending from the end of the signature.

Paul Grenier